

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
9.27.21

BILL 4

LLS NO. 22-0149.01 Ed DeCecco x4216

INTERIM COMMITTEE BILL

Sales and Use Tax Simplification Task Force

BILL TOPIC: "Sales Tax Destination Sourcing Rules Exception"

A BILL FOR AN ACT

101 **CONCERNING THE EXTENSION OF THE SMALL RETAILER EXCEPTION TO**
102 **THE SALES AND USE TAX DESTINATION SOURCING RULES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Sales and Use Tax Simplification Task Force. State sales tax is currently calculated based on the buyer's address when the taxable product or service is delivered to a consumer, and this is known as destination sourcing. There is an exception that allows small retailers with less than \$100,000 of retail sales to source their sales to the business' location regardless of where a purchaser receives the tangible personal

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

property or service, but this exception expires on February 1, 2022. The bill extends the repeal of the exception from February 1, 2022, until October 1, 2022.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-26-104, **amend**
(3)(c)(IV) as follows:

39-26-104. Property and services taxed - definitions - repeal.
(3) (c) (I) A retailer shall source its sales to the business location of the retailer regardless of where the purchaser receives the tangible personal property or service in a calendar year:

(IV) This subsection (3)(c) is repealed, effective ~~February 1, 2022~~
OCTOBER 1, 2022.

SECTION 2. In Colorado Revised Statutes, 39-26-204, **amend**
(2)(b)(III) as follows:

39-26-204. Periodic return - collection - repeal.
(2) (b) (III) This subsection (2)(b) is repealed, effective ~~February 1, 2022~~
OCTOBER 1, 2022.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.